

April 26th, 2023

MAJOR DRILLING PROGRAM COMMENCES AT BALLADONIA, WA TARGETING LARGE-SCALE BASE METAL DEPOSITS

- ~4,800m diamond drilling to test eight priority gravity/magnetic targets
- Balladonia forms part of the Strategic Alliance Agreement with South32

AusQuest Limited (ASX: AQD) is pleased to advise that the previously announced major diamond drilling program designed to test eight Broken Hill Type (BHT) targets within the **Balladonia Base Metal Project**, located in the Fraser Range region of Western Australia, has now commenced.

The drill program, which consists of 13 drill-holes for a total of ~4,800m, is expected to take 2-3 months to complete, with initial assays likely to be available approximately eight weeks from commencement of drilling.

Drill targets have been defined by a combination of detailed gravity and magnetic surveys which have outlined strong anomalies indicative of potential 'lode packages' and possible base metal mineralisation similar to that found within the Cloncurry Belt of NW Queensland (which hosts the Cannington deposit) and the Broken Hill area of NSW (Figure 1).

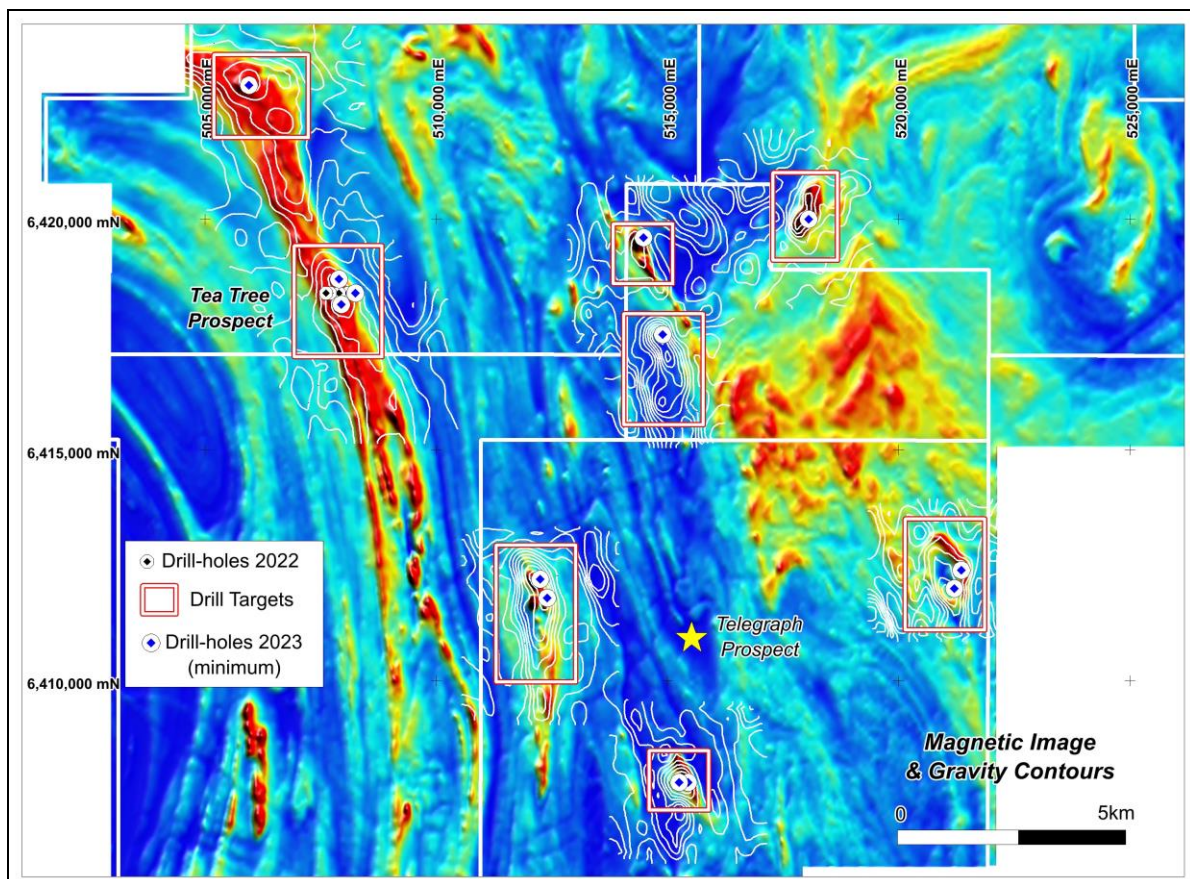


Figure 1: Detailed magnetic and gravity surveys showing the location of drill-holes.

Drilling is planned to start at the Tea Tree prospect, where the presence of highly prospective stratigraphy (thin banded iron formations (BIF's) – garnetiferous quartzites), alteration (potassic, iron and manganese) and anomalous lead, zinc and cadmium values – similar to the signatures associated with the base metal mineralisation found at Cannington and Broken Hill – were intersected during an earlier drill program (see ASX release 30 June 2022).

The Balladonia Project is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

AusQuest's Managing Director, Graeme Drew, said: "The commencement of drilling is always an exciting time for the Company, in this case as we begin the process of testing the priority base metal targets that have been outlined at our Balladonia Project.

"If we are successful, this could herald an exciting new development for the Fraser Province, as it may open up significant new exploration opportunities in an area where we have secured a large tenement holding of ~850km².

"We are looking forward to reporting results to shareholders as this exciting program unfolds over the coming months."

A handwritten signature in black ink, appearing to read 'G Drew'.

Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.